

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY OTTER)	ORDER DESIGNATING
TAIL CORPORATION REGARDING ITS)	AFFECTED AREA AND
NOTIFICATION OF INTENT TO APPLY FOR A)	LOCAL REVIEW
PERMIT FOR AN ENERGY CONVERSION)	COMMITTEE
FACILITY)	EL01-027

On November 5, 2001, the Public Utilities Commission (Commission) received a notification of intent to submit an application for a permit for an energy conversion facility from Otter Tail Corporation (OTC). OTC proposes to construct an electric generating facility, Big Stone II, adjacent to the existing Big Stone Plant. The site is located principally in Section 12, Township 121 North, Range 47 West and Section 7, Township 121 North, Range 46 West, Grant County, South Dakota. Plans are to use the existing plant site for the major equipment. However, additional property is required for the Big Stone II project for possible expansion of the existing cooling reservoir, future ash disposal facilities, wetlands mitigation, and general facility buffer zones. The proposed plant will burn Powder River Basin coal and be capable of producing approximately 600 MW. The boiler technology has not been selected at this time. The technologies under consideration are circulating fluidized bed, sub-critical pulverized coal, or supercritical pulverized coal. The pollution control technology selected will depend upon the boiler technology and a Best Available Control Technology review as required by the Prevention of Significant Deterioration Pre-construction Permit. The Big Stone II project is proposed as a "brown field" project. That is, it is slated for construction at the site of an existing facility, which considerably reduces the construction cost of a new plant. This approach enables OTC to share existing infrastructure with the existing Big Stone Plant including the following:

- Cooling water intake structure, pumping system and delivery line
- Rail spur
- Coal unloading facilities
- Solid waste disposal facilities

OTC estimates the capital cost of the Big Stone II project at \$700,000,000.

Under SDCL 49-41B-6, the Commission is required to designate the affected area relative to this filing and also to designate a local review committee within thirty days after the filing of the notification of intent. According to SDCL 49-41B-2(8), the term "siting area" is defined as "that area within ten miles in any direction of a proposed energy conversion facility or which is determined by the commission to be affected by a proposed energy conversion facility." In ARSD 20:10:22:01(1), "affected area" is defined as "that area which may be affected environmentally, socially, aesthetically, or economically by the location of a facility at a proposed site."

Under SDCL 49-41B-6, the Commission shall also designate the local review committee which shall be composed of the following:

- (1) The chairman of the tribal council of each affected reservation;
- (2) The president of the board of education of each affected school district;
- (3) The chairman of the county commissioners of each affected county;

- (4) The mayor of each affected municipality; and
- (5) A representative of the applicant utility designated by the utilities.

At its November 27, 2001, Commission meeting, the Commission discussed the designation of the affected area and the local review committee. The Commission has jurisdiction over this matter pursuant to SDCL 49-41B, specifically SDCL 49-41B-6 and ARSD 20:10:22:01 and 20:10:22:02. After its discussion, the Commission determined that the affected area shall consist of a 10 mile radius of the site of the proposed energy conversion facility. In accordance with SDCL 49-41B-6, the Commission designated the local review committee which shall be comprised of the following individuals:

Mr. Clayton Tucholke, Chair, Grant County Board of Commissioners

Mr. Glen Hull, Chair, Roberts County Board of Commissioners

Mr. Dale Aeosph, Mayor, City of Milbank

Mr. Jim McFarlane, Mayor, City of Big Stone City

Mr. Craig Haugard, President, Milbank School District Board

Ms. Ann Grabow, President, Big Stone City School District Board

Mr. Mark Rolfes, Otter Tail Power Company

Ms. Kathy Haas, Mayor, Odessa City Council

Mr. Dave Dinnel, Mayor, Ortonville City Council

Ms. Jeanne Krueger, Chairman, Big Stone County Commissioners

Mr. Arvid Gollnick, Chairman, Lac Qui Parle County Commissioners

Mr. Roger Barnhart, Chairman, Big Stone City School Board

Mr. Kenny Hendricks, Chairman, Clinton-Graceville-Beardsley School Board*

Ms. Donna Moberg, Clinton-Graceville-Beardsley School Board**

Mr. Scott Maas, Chairman, Ortonville School Board

*Indicates term expiring end of year

**Indicates coming on the Board in January

It is therefore

ORDERED, that the affected area for the purposes of this filing shall consist of a 10 mile radius of the site of the proposed energy conversion facility; and it is

FURTHER ORDERED, that the local review committee shall be comprised of the above referenced individuals.

Dated at Pierre, South Dakota, this 5th day of December, 2001.

<p style="text-align: center;">CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: _____</p> <p>Date: _____</p> <p style="text-align: center;">(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

JAMES A. BURG, Chairman

PAM NELSON, Commissioner